



**United States Department of Justice  
United States Attorney's Office  
District of Minnesota**



# **News Release**

**B. Todd Jones,  
United States Attorney**

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## **Buffalo man pleads guilty to participating in mortgage fraud scheme**

A 54-year-old Buffalo, Minnesota, man pleaded guilty today in federal court to having a role in a mortgage fraud scheme that resulted in losses of at least \$20 million for mortgage lenders. Appearing before United States District Court Judge Paul A. Magnuson in St. Paul, Richard Mathew Laho pleaded guilty to one count of mail fraud. Laho was indicted, along with co-defendant Michael Anthony Prieskorn, age 35, of Ellendale, on January 20, 2010. Prieskorn previously pleaded guilty to conspiracy to commit wire fraud and engaging in an illegal monetary transaction relating to a scheme that involved the purchase of approximately 70 residential properties in Florida and Minnesota between December of 2006 and April of 2007.

In his plea agreement, Laho admitted that in March and April of 2007 he took part in the scheme by participating in a real estate purchase in Naples, Florida. In that transaction, the property buyer was given \$5,000 and falsely told that all mortgage payments other bills associated with the property would be paid and the property would eventually be sold as an investment. Laho admitted assisting in a financial transaction designed to mislead the lender regarding the buyer's role in the transaction. The property eventually went into foreclosure. The loss to the mortgage lender for the Naples property is between \$490,000 and \$690,000.

Laho faces a potential maximum penalty of 20 years in prison. Judge Magnuson will determine his sentence at a future date, yet to be determined.

This case is the result of an investigation by the Internal Revenue Service-Criminal Investigation Division, the Eagan Police Department, the Minnesota Department of Commerce, the U.S. Secret Service, the Minnesota Financial Crimes Task Force, and the Minnesota Bureau

of Criminal Apprehension. It is being prosecuted by Assistant U.S. Attorneys Tracy L. Perzel and Robert M. Lewis.

This law enforcement action is in part sponsored by the interagency Financial Fraud Enforcement Task Force. The task force was established to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. It includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch and, with state and local partners, investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.